

GEORGIA REVENUE QUARTERLY



Roy E. Barnes, Governor

T. Jerry Jackson, Commissioner

Sales Tax Division Revising Forms

The Department's Sales and Use Tax Division recently introduced its EZ Form.

"The coupon-sized form allows dealers, who only make sales or deliveries in their county of registration, to report on a short form," said Phil Embry, Director of the Sales Tax Division.

"They do not have to worry about taxes applicable in the other 158 counties and condenses 20 to 30 lines of information on the full form (ST-3) to eight lines on the EZ Form," Embry added.

Construction contractors and dealers that sell motor fuel or food cannot use the EZ Form.

EZ Forms will be mailed to companies that are eligible to

use the form prior to their reporting period (month or quarter).

Since January, the Division has identified approximately 32,000 sales tax dealers that are eligible for the new EZ form out of the 130,000 total dealers receiving the full form monthly.

The Division is planning a revision of the current ST-3 full form to make it easier to read and less cluttered.

This form was last changed in July 1997, when the new sales tax processing system was implemented and two new local taxes were imposed.

"It might seem to taxpayers that there will be fewer local taxes to report, but actually, we just plan to move the three taxes that apply to only a few counties (MARTA, HOST, and Second Local Towns County) to a separate part of the schedule," said Embry.

"We hope this revised ST-3 form will be mailed to dealers in the fall of 2001 or the winter of 2002," Embry added.

Additionally, there will be a separate form for submitting a change of address, ownership, telephone number, etc. The changes will go directly to the office that handles those matters.

"We believe these initiatives will ensure better and faster service to the taxpayers," Embry concluded.



Internal Administration employees (from left) Rhonda Love, Donna Lowe and Kimberly Moore stand in front of the server and jukeboxes that drive the Department of Revenue's Document Storage and Retrieval System.

Document Storage, Retrieval System Invaluable During First Year In Operation

By Rhonda Love and Kimberly Moore

Georgia Department of Revenue, Internal Administrative Division

The Department of Revenue's Document Management System has become an invaluable resource during its first year in operation. Since March 8, 2000, when the system came on-line, 35 million documents (200 million images) have been archived into the image system and thousands of documents have been retrieved.

In general, document management technology involves the use of some mechanism to input images into a format that provides a simple, secure, and affordable method for retrieval. In DOR's case, several high-volume scanning machines are utilized to capture an electronic image of each document that needs to be stored.

DOR facilitates retrieval by the use of optical jukeboxes that

State Notifying Taxpayers Of Credit Options

Since November, the Georgia Department of Revenue has sent letters to more than 8,000 state taxpayers advising them of an under applied credit balance remaining in the 1999 individual estimate account.

The letter requested a response as to whether the credit should be applied to their 2000 estimate account or refunded.

Continued on page 3

Continued on page 3

Commissioner's Letter

As the 2001 tax filing season rapidly comes to a close, I am happy to report that this has been a highly successful year for the Department of Revenue. We anticipate that we will process more than 3.2 million returns during this tax season.

Georgia taxpayers have continued to embrace electronic filing. As of April 2, more than 1 million taxpayers had used an electronic means to file their 2000 tax return. This compares to more than 890,000 taxpayers who filed electronically in 1999. This is a trend that we hope will continue. Electronic filing not only shortens the turn around time in issuing refunds it also ensures more accurate processing.



Commissioner Jackson

Plans are rapidly accelerating for the Department's move to 1800 Century Center Boulevard in Dekalb County. This location will afford easy customer access and is located at Clairmont and I-85. The move will be phased with the first units moving in July.

A major piece of legislation for the Department was House Bill 582. This bill incorporated a number of technical and housekeeping provisions needed by the Department, as well as clarifying the intent of some of the Governor's BEST legislation from the 2000 Session.

The legislature also extended the date for the prorata distribution of unidentifiable local sales and use tax

for an additional five years. During the last six months, the unidentifiable proceeds have consisted of less than one half of one percent of total collections. We supported this bill because it gives us the authority to distribute unidentifiable collections between the counties and the state according to a standard distribution plan.

The Governor has signed HB 417, which creates the Georgia Higher Education Savings Plan. This is Georgia's version of I.R.C. Section 529 College Savings Plan that all states now have. The legislation is effective January 1, 2002.

House Bill 607 expands the definition of "member of a minority" to mean an individual who is Black, Hispanic, Asian-Pacific American, Native American or Asian-Indian American. This change impacts the imposition, rate and computation of state income taxes of individuals and businesses.

These and other bills that have impact on the Department will be outlined in greater detail in the next issue of the Revenue Quarterly. This annual legislative issue will provide a brief synopsis of all bills passed during the just completed legislative session that have a tax impact.

I thank all of you who helped make this tax season a success. As we continue to improve our service, we welcome any comments or suggestions that you may have.

Sincerely,
T. Jerry Jackson

State Oversees Programs Aiding Interstate Commerce

The Georgia Department of Revenue oversees two programs designed to provide one-stop shopping for individuals or companies with fleets that participate in interstate commerce.

The International Registration Program (IRP) and the International Fuel Tax Agreement (IFTA) allow individuals or companies to register their vehicles and pay their road use taxes and vehicle registration fees in all states and all Canadian Provinces through one base jurisdiction.

The programs are for the following types of vehicles:

- Those having a gross vehicle weight (GVW) greater than 26,000 pounds, or
- Those having a power unit with three or more axles regardless of weight, or
- Those with a power unit that is used to pull another trailing unit and the weight of such combination exceeds 26,000 pounds (GVW).

The vehicle registration fees paid to the base state jurisdiction are prorated to the other jurisdictions based on the total number of miles traveled in each member jurisdiction as it relates to the total miles traveled everywhere.

The IFTA road use taxes are paid to their base state based on the amount of motor fuel consumed in each IFTA member jurisdiction, which can be offset by the amount of motor fuel taxes paid on motor fuel purchases in that jurisdiction.

Under the IRP, the base jurisdiction should be Georgia if mileage is accrued in state and the individual or company has a place of business and business records are located in the state as defined in the IRP Instruction Manual.

The base jurisdiction for the IFTA should be Georgia if the vehicle(s) are registered in the state, and controlled from a location in the state and if the vehicle records are maintained or can be made available in Georgia.

Vehicles, which do not leave the state, are not required to be registered with either the IRP or the IFTA.

Also, vehicles designed or converted

Continued on page 3

New DMS Continued from page 1

make millions of documents available for retrieval within seconds.

Before DMS, the Internal Administration Division (IAD) had scanned and archived documents to CDs or microfilm. The CDs provided more security and quicker access to documents than relying solely on retrieving paper documents or microfilm files, but this method still did not meet IAD's productivity requirements.

DOR divisions request thousands of documents daily that are archived by IAD. Previously, it was difficult for IAD to keep up with the demand. Further, the CD archival and retrieval method was determined to be non-Y2K-compliant.

It was decided that it would be more cost efficient to replace the old system rather than spend money to make it Y2K-compliant. Filenet was the chosen document management technology vendor and Gulf Computer Company was the chosen integrator. They were well qualified to handle the work and they were already under contract to the state for Y2K solutions.

"The Filenet retrieval system is 100 percent better than CD retrieval. In the past, we had a backlog of retrieval requests every day, now we rarely have a backlog," said Ellen Butterworth, Supervisor of IAD's Document Processing Section.

Since being implemented, the DMS has been programmed to perform several custom applications. The first was the reconciliation between document images exported from the scanning systems and those imported to the DMS. The IAD staff runs this program daily to ensure all document images are passed accurately from one system to the other.

The next custom application was to convert approximately 6,000 CDs, (13 million documents) dating back to 1997 to the DMS. It was estimated this conversion would take about 16 months, but the process was recently completed. The conversion completion relieves the IAD Retrieval Unit from their dependence on CD retrievals.

In the fall of 2000, a quality assurance and rescan custom application was initiated. This process reviewed each document that had been archived to the DMS to ensure the documents were complete and usable. After rescanning any unusable documents, the tax divisions were

notified to destroy the paper copies of documents they routinely stored.

The final custom applications to be implemented were the Custom Retrieval and Automated Print Request functions. These functions were deemed necessary to provide the level of document security mandated by IAD.

Though security features of the DMS record every document accessed by an operator, the functionality is even available to restrict certain documents from anyone but the person authorized to view that particular document.

The new Custom Retrieval function is easier to use and captures important data about documents being retrieved.

"We are very excited with the changes that we have made in the past year in the image archive and retrieval area," said Lannie Greene, Director of IAD. "With these changes, we will be able to provide better services to our customers with fewer resources. Documents that might have taken days to retrieve in the past are now available within seconds."

State Notifying Continued from page 1

"We have received a response from approximately half of the letters mailed out," said Lowell W. Umbarger, Director of the Department's Taxpayer Accounting Division.

Of those responding, approximately half requested a refund. The total amount refunded has been approximately \$2.6 million. The other half asked that the credit be applied to their 2000 estimate account and those total approximately \$1.5 million.

"This is a continuing program. In July, we will begin sending out notices to those taxpayers who have a credit based on their 2000 return," Umbarger added.

The Revenue Quarterly is a quarterly publication of the The Georgia Department of Revenue. Comments, suggestions and mailing list additions or corrections should be addressed to the Public Information Office, 401 Trinity-Washington Building, Atlanta, GA 30334. The telephone number is 404-651-8913 and the e-mail address is cwwilley@gw.rev.state.ga.us.

Georgia's Estate Tax

During the past year, a national debate has been conducted regarding estate taxes. The results of that debate could have an impact on Georgia's taxpayers because the state's estate tax is based on federal estate tax law.

The state's estate tax is based on the amount allowable as a credit for state death taxes on the federal estate tax return (Form 706). The credit amount is based on the federal adjusted taxable estate, using a tax table in the federal instruction booklet.

A federal estate tax return must be filed if the gross estate is more than the filing requirement for the year of death. Currently, an estate tax return does not have to be filed if the gross estate, which is defined in the Internal Revenue Code, does not exceed \$675,000. This amount will increase incrementally to \$1 million by 2006.

"Georgia does not have an estate tax form. However, the estate's executor or administrator must file a copy of the federal return with the payment for the Georgia tax," said Larry Childers, Georgia Department of Revenue Estate Tax Conferee. "The due date is the same as the federal due date, which is nine months after the date of death."

Childers added, "if no federal estate tax return is required to be filed, then no Georgia filing is required."

Individuals desiring more information about Georgia's estate tax should visit the DOR web site at www2.state.ga.us/departments/dor or contact Childers at 404-656-7043.

Information about federal estate tax is available on the web at www.irs.gov.

State Oversees Continued from page 2

and used for personal pleasure or travel by an individual or family are not required to be registered.

For additional information about the IRP contact DOR's Motor Vehicle Division at (404) 657-4186. The Division is located at 1200 Tradeport Boulevard in Hapeville.

For additional information about the IFTA contact DOR's Motor Fuel Tax Unit at (404) 656-4055. A walk-up help desk is located on the first floor of the Trinity-Washington Building at 270 Washington Street in Atlanta.

Georgia Department of Revenue
Administration Division
Information Office - Room 401
270 Washington Street
Atlanta, GA 30334
Address Services Requested

Revenue Collections Up 6.9% For Fiscal Year

ATLANTA - State Revenue Commissioner T. Jerry Jackson announced on April 10 that net revenue collections for the first nine months of fiscal year 2001 totaled \$10,188,611,969.24 compared to \$9,534,736,763.36 for fiscal year 2000, an increase of \$653,875,205.88. The percentage increase for the fiscal year is 6.9 percent.

For the month of March, collections totaled \$855,275,808.53 compared to \$935,215,085.98 for March 2000, a decrease of \$79,939,277.45 or 8.5 percent.

FY 2001 Through March Compared to FY 2000 Through March

Revenue Source	Total	Difference	Percent
*SALES & USE	3,836,753,547.36 up	277,902,642.18	7.8%
MOTOR FUEL	334,993,573.98 up	977,125.44	0.3%
INDIVIDUAL INCOME	5,008,851,746.19 up	357,857,318.12	7.7%
CORPORATE INCOME	459,950,673.32 up	398,035.66	0.1
CIGAR & CIGARETTE	57,939,635.01 up	13,105,748.44	29.2%
MOTOR VEHICLE	162,413,859.64 down	(1,916,296.97)	-1.2%
LIQUOR	27,989,026.52 down	(276,940.39)	-1.0%
MALT BEVERAGE	57,515,340.23 up	1,871,490.99	3.4%
ESTATE	98,997,993.91 down	(6,904,732.58)	-6.5%
PROPERTY	45,608,924.36 up	3,566,808.98	8.5%
WINE	15,034,292.63 up	530,003.32	3.7%
MISCELLANEOUS	82,563,356.09 up	6,764,002.69	8.9%

*Includes 2nd Motor Fuel Tax (9 months) - \$165,408,188.53

Visit DOR's Website At www2.state.ga.us/Departments/DOR